

BEFORE THE
UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Priority Mail International Flat Rate
Envelopes and Priority Mail
International Small Flat Rate Boxes

Docket No. MC2016-118

PUBLIC REPRESENTATIVE COMMENTS IN RESPONSE TO REQUEST TO MAKE
CHANGES TO THE MAIL CLASSIFICATION SCHEDULE RELATED TO PRIORITY
MAIL INTERNATIONAL FLAT RATE ENVELOPES AND PRIORITY MAIL
INTERNATIONAL SMALL FLAT RATE BOXES

(April 15, 2016)

The Public Representative hereby provides comments pursuant to Order No. 3223.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Request to make material changes to the Mail Classification Schedule (MCS) that would revise the competitive product description for Outbound Priority Mail International (PMI) in section 2315 of the MCS.² The proposed change appears to be in the interests of the general public and is consistent with 39 U.S.C. 3642.

The Postal Service's Request includes a copy of the Governors' Decision authorizing the Request, the proposed changes to the applicable sections of the MCS, a certification of compliance with 39 U.S.C. § 3633(a), supporting financial workpapers to show that the changes will not result in the violation of 39 U.S.C. 3633 and 39 CFR 3015.5, and an application for non-public treatment of certain materials filed under seal.

The Postal Service proposes changing the dispatch stream for PMI Flat Rate Envelopes and PMI Small Flat Rate Boxes from the letter post stream to the air parcel

¹ PRC Order No. 3223, Notice and Order Concerning Request To Make Changes To The Mail Classification Schedule Related To Priority Mail International Flat Rate Envelopes And Priority Mail International Small Flat Rate Boxes, April 8, 2016.

² Request of the United States Postal Service for Changes in the Mail Classification Schedule to Revise the Dispatch Stream for Priority Mail International Flat Rate Envelopes and Priority Mail International Small Flat Rate Boxes from the Letter Post Stream to the Air Parcel Stream, April 7, 2016 (Request).

stream. Notice at 3. The Postal Service contends that the change “would make it possible for the Postal Service to streamline the marketing and processing of its PMI product by making insurance, ancillary services, tracking, customer service support, and processing more consistent for all PMI products. *Id.*

COMMENTS

The Public Representative has reviewed the Postal Service’s Request, the Statement of Supporting Justification, as well as the financial data filed under seal with the Postal Service’s Request. Based upon that review, the Public Representative recommends that the Commission approve the Postal Service’s request.

For users of PMI, although International Certificate of Mailing and International Registered Mail will no longer be available with PMI Flat Rate Envelopes and PMI Small Flat Rate Boxes, the proposed classification changes will result in PMI Flat Rate Envelopes and PMI Small Flat Rate Boxes receiving expanded access to tracking services and insurance. Additionally, mailers may use Outbound Single-Piece First-Class Mail International if they desire International Certificate of Mailing or International Registered Mail.

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service’s competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

Based upon a review of the financial data, although the unit cost will be higher under the proposed operational change, PMI should continue to generate sufficient revenues to cover costs and therefore meet the requirements of 39 U.S.C. § 3633(a). The Commission also has an opportunity to conduct an annual compliance review of this product in its Annual Compliance Determination.

The Public Representative respectfully submits the foregoing comments for the Commission’s consideration.

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